

**REMARKS/ARGUMENTS**

On November 14, 2003, the undersigned called Examiner Shih to attempt to schedule an interview to discuss the present case. The undersigned appreciates the Examiners courtesy as during this short telephone conversation. The Examiner indicated that given that the Office Action mailed on October 3, 2003 contained a final rejection, that the most efficient way to proceed would be to file a written response at this time, which the Examiner would consider. Accordingly, this response is respectfully submitted.

**Rejection under 35 USC §101**

In response to an Office Action mailed March 20, 2003, an Amendment was filed on July 14, 2003. The 7/14/03 Amendment canceled a number of pending claims, and left an amended claim 20 which incorporated limitations from its base claim and intervening claims. The March 20, 2003 Office Action did not reject any of the previously pending claims under 35 USC §101.

In response to the 7/14/03 Amendment the 10/3/03 Office Action rejected the pending claim 20 under 35 USC §101 as being directed to non-statutory subject matter. It is noted that the pending 20, corresponds to the previously pending claim 20 which was not rejected under 35 USC §101 in the prior 3/20/03 Office Action. It is noted that the MPEP §706.07(a) shows that a rejection should not be a final rejection, where the Examiner introduces a new ground of rejection that is not necessitated by applicant's amendment of the claims, or information submitted by the applicant in IDS filed subsequent. Thus, it is respectfully submitted that the present case should not be subject to a final rejection at this time.

In the rejection under 35 USC §101, the Office Action makes numerous references to "an insurance policy". For example, the Office Action states:

In the present case, claim 20 only recites an abstract idea. The recited steps of merely obtaining information about a customer and an insurance policy and performing a mathematical analysis to determine the optimal investment recommendation does not apply, involve, user or advance the technological arts since all of the recited steps can performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to select an insurance policy over another.

Office Action, p. 3. The references to an "insurance policy" appears to be misdirected. Neither the pending claim, nor the patent specification discuss obtaining information about an insurance

policy, or discuss or describe steps relating to selecting one insurance policy over another. Instead the pending claim 20 describes a method for recommending an investment portfolio. Indeed, the steps recited in connection with determining the recommended portfolio are very specific and detailed. Further, as recognized by the office action the recited method does provide "a useful, concrete result . . .". Office Action, p. 4.

Finally, it is noted that an example claim is shown on the middle of page 4 of the 10/3/03 Office Action with the word computerized shown in bold italics. As shown above pending claim 20 is amended herein to recite the method is a computerized method. In light of the above it is respectfully submitted that the rejection under 35 USC §101 is overcome.

#### **Rejection under 35 USC §102**

Pending claim 20 was rejected under 35 USC §102(e) as being anticipated by Jones et al. (United States Patent no. 6,021,397). In connection with this rejection the Office Action states in part:

Claim 20 describes a method comprising of receiving taxable and non-taxable investment, investor information (fig. 4; col. 5, lines 52-63), performing an optimization and providing a recommendation (fig. 3-8; col. 8, lines 36-33; col. 10, lines 18-28).

The method also describes a non-linear optimization routine. Jones et al. disclose an "econometric module" where non-linear optimization routine used (figs. 5-6; col. 8, lines 14-26). Future projected returns are performed by different modules through several subroutines (col. 2; lines 48-64; col. 7, lines 66-67; col. 8, lines 11-5)

Office Action, p. 5.

A review of the passages and figures referred to in connection with the §102 rejection show a number of aspects of a financial advisory system. For example, Fig. 4 appears to relate to asset class generation; col. 5, lines 52-63 appears to relate to determining a risk tolerance; col. 8, lines 36-33, and col. 10, lines 18-28 appear to relate to a discussion of different asset classes and provide a discussion relating to a tax adjustment module; Fig. 5 appears to show a flow chart related to using a reverse optimization; Fig. 6 is a flow diagram illustrating a method of determining a financial product's exposure to factor asset class returns; col. 8, lines 14-26 discusses general statistical models and economic factors. It is respectfully submitted that a detailed review of these passages and other passages from the Office Action, does not show a number of significant elements recited in claim 20. Indeed, it is submitted that the Office Action appears does not appear to have focused on numerous elements of claim 20 which are discussed

in more detail below, and accordingly the Office Action does not appear to have cited to any areas of Jones et al. as disclosing these important elements of the claim.

It is respectfully submitted that a review of Jones et al., and in particular the portions of Jones et al. referred to above, in connection with rejecting claim 20, shows that Jones et al. does not appear to disclose a number of elements in pending claim 20. For ease of reference some of the specific language from claim 20 is shown below:

wherein the step of performing an optimization comprises performing an iterative non-linear optimization routine, and the optimization routine comprises a first subroutine of attempting to resolve a flat function problem by running the routine with different sets of initial values, and the optimization routine further includes a second subroutine;

wherein when the flat function does not optimize with any of the sets of initial values used in an initial step, the second subroutine is utilized, wherein the second subroutine includes: taking a solution for a best case; and re-running the optimization routine including only those investments with nonzero weights; and

wherein when an optimal solution is found using the first subroutine, performing a third subroutine of re-running the optimization routine to account for minimum investment values; and wherein when an optimal solution is found using the second subroutine, performing the third subroutine of re-running the optimization routine to account for minimum investment values.

It is respectfully submitted that the analysis provided in the Office Action does not provide any discussion which suggests the Jones et al. discloses performing an optimization which includes an iterative non-linear optimization routine, and the optimization routine comprises a first subroutine of attempting to resolve a flat function problem by running the routine with different sets of initial values, and the optimization routine further includes a second subroutine, which provides that when the flat function does not optimize with any of the sets of initial values used in an initial step, then the second subroutine is utilized, and the second subroutine includes: taking a solution for a best case, and re-running the optimization routine including only those investments with nonzero weights. Finally Jones et al. does not appear to provide that when an optimal solution is found using the first subroutine, performing a third subroutine of re-running the optimization routine to account for minimum investment values, and that when an optimal solution is found using the second subroutine, performing the third subroutine of re-running the optimization routine to account for minimum investment values.

Indeed Jones et al. does not appear to provide any mechanism for accounting for the fact that certain investments may have minimum investment values. Thus, in light of the above, it is respectfully submitted that claim 20 is patentable over the Jones et al.

### CONCLUSION

For the reasons set forth above, it is believed that all claims present in this application are patentably distinguished over the references. Therefore, reconsideration is requested, and it is requested that this application be passed to allowance.

Respectfully submitted,

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